

ND RETIREMENT AND INVESTMENT OFFICE
Combined Balance Sheet
As of 1/31/2006

	As of <u>1-31-06</u>	As of <u>6-30-05</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 1,577,492,226	\$ 1,458,148,767
INTERNATIONAL EQUITIES	820,904,755	751,581,435
DOMESTIC FIXED INCOME	1,814,637,128	1,627,107,621
INTERNATIONAL FIXED INCOME	156,709,956	144,258,400
REAL ESTATE POOL	287,550,913	216,275,745
VENTURE CAPITAL	131,312,985	123,797,307
INVESTED CASH (NOTE 1)	<u>96,073,307</u>	<u>68,245,056</u>
 TOTAL INVESTMENTS	 4,884,681,270	 4,389,414,331
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	19,107,672	21,609,527
CONTRIBUTIONS/ASSESSMENTS REC	0	7,403,583
MISCELLANEOUS RECEIVABLES	<u>2,752</u>	<u>2,188</u>
 TOTAL RECEIVABLES	 19,110,424	 29,015,298
 OTHER ASSETS		
OPERATING CASH (NOTE 2)	8,213,980	8,905,245
DUE FROM OTHER AGENCIES (NOTE 3)	95,328	89,903
FIXED ASSETS (NET) (NOTE 4)	<u>1,013,164</u>	<u>1,013,164</u>
 TOTAL ASSETS	 <u><u>\$ 4,913,114,166</u></u>	 <u><u>\$ 4,428,437,941</u></u>
 LIABILITIES:		
ACCOUNTS PAYABLE	3,336,087	3,464,962
ACCRUED EXPENSES	263,007	442,004
CAPITAL LEASES PAYABLE	9,550	9,550
DUE TO OTHER AGENCIES (NOTE 5)	<u>95,327</u>	<u>89,903</u>
 TOTAL LIABILITIES	 3,703,971	 4,006,419
 NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	4,424,431,522	3,975,436,484
CASH IN DURING YEAR (NOTE 6)	255,238,391	302,922,897
CASH OUT DURING YEAR (NOTE 7)	176,848,610	298,051,573
NET INCREASE (DECREASE)	<u>406,588,892</u>	<u>444,123,714</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>4,909,410,195</u>	 <u>4,424,431,522</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u><u>\$ 4,913,114,166</u></u>	 <u><u>\$ 4,428,437,941</u></u>

ND RETIREMENT AND INVESTMENT OFFICE
Combined Profit and Loss Statement
For the Month Ended 1/31/2006

	Month Ended <u>1-31-06</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 11,006,475	\$ 70,224,147
SECURITIES LENDING INCOME	<u>2,005,967</u>	<u>11,792,648</u>
	13,012,442	82,016,795
 GAIN ON SALE OF INVESTMENTS	 34,131,951	 354,390,195
LOSS ON SALE OF INVESTMENTS	<u>14,066,281</u>	<u>124,570,253</u>
 NET GAINS (LOSSES) INVESTMENTS	 20,065,670	 229,819,942
 INVESTMENT EXPENSES	 4,280,952	 11,244,713
SECURITIES LENDING EXPENSES	<u>1,928,115</u>	<u>11,199,676</u>
 NET INVESTMENT INCOME	 26,869,045	 289,392,348
 NET APPREC (DEPREC) MARKET VALUE	 138,812,413	 148,365,505
MISCELLANEOUS INCOME/(EXPENSE)	<u>(353,603)</u>	<u>(1,093,066)</u>
 TOTAL INVESTMENT INCOME	 165,327,855	 436,664,787
 CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	 5,351,458	 24,330,959
PURCHASED SERVICE CREDIT (NOTE 9)	207,388	1,538,684
PENALTY & INTEREST (NOTE 10)	<u>(441)</u>	<u>1,533</u>
 TOTAL ADDITIONS	 <u>170,886,260</u>	 <u>462,535,963</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	7,597,248	53,215,130
PARTIAL LUMP SUM BENEFITS PAID	0	21,045
REFUNDS TO MEMBER (NOTE 12)	<u>104,208</u>	<u>1,490,720</u>
 TOTAL BENEFITS PAID	 7,701,456	 54,726,895
 ADMINISTRATIVE EXPENSES		
SALARIES AND BENEFITS	78,719	555,010
OPERATING EXPENSES	40,969	665,166
EQUIPMENT	<u>0</u>	<u>0</u>
 TOTAL ADMINISTRATIVE EXPENSES	 <u>119,688</u>	 <u>1,220,176</u>
 TOTAL DEDUCTIONS	 <u>7,821,144</u>	 <u>55,947,071</u>
 NET INCREASE (DECREASE)	 <u>\$ 163,065,116</u>	 <u>\$ 406,588,892</u>

ND RETIREMENT AND INVESTMENT OFFICE
Notes to Combined Financial Statement
January 31, 2006

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company or a money market demand account at the Bank of North Dakota.

NOTE 2 OPERATING CASH

Money market and checking accounts at the Bank of North Dakota and RIO's operating account at the State Treasurer's Office.

NOTE 3 DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4 FIXED ASSETS

Office furniture and equipment capitalized by RIO, shown net of depreciation. Depreciation is calculated straight-line, over five years.

NOTE 5 DUE TO OTHER AGENCIES

Amounts received from agencies in excess of amounts allocated for RIO administrative expenses.

NOTE 6 CASH IN DURING YEAR

Cash transferred into investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

NOTE 7 CASH OUT DURING YEAR

Cash transferred out of investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

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Notes to Combined Financial Statement
1/31/2006

NOTE 8 CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9 PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10 PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11 BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12 REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.